



U.S. SENATE COMMITTEE ON

# Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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Opening Statement of Sen. Chuck Grassley  
Finance Committee Hearing, Nomination of John Snow for Secretary of the Treasury  
Tuesday, January 28, 2003

Good morning, and welcome to the first hearing of the Senate Finance Committee for the 108<sup>th</sup> Congress. I'd like to start with a special introduction of our four new members. They are Senators Santorum, Frist, Smith, and Bunning. All of you are distinguished members and will contribute to the work of the Finance Committee. And of course, I welcome back all returning members to the Committee and particularly you, Senator Baucus. While the gavel may change hands, I don't expect anything to change regarding our good working relationship here on the Committee.

I want to emphasize right off the bat that the office we are considering today is a very important part of our constitutional responsibility. We need a person who can quickly tackle the challenges a Treasury secretary faces. We need a "can do" type of person. The matter at hand today is the nomination of John Snow to be Treasury secretary. The Treasury secretary is, after the vice president, perhaps the most important position in the President's cabinet. Given the importance of the office of Treasury secretary, this committee has a bipartisan tradition of acting expeditiously on the nomination. We should not needlessly delay in carrying out our constitutional role with respect to this important position. I ask my colleagues on both sides of the aisle to help us move this nomination quickly. I expect the nominee and the administration to quickly answer questions that may arise.

I want to thank the nominee for his cooperation and his willingness to withstand the heightened scrutiny that has developed over recent years. In the course of our work on this nomination, we have found that Mr. Snow participated in executive compensation arrangements that were typical of senior executives in Fortune 500 companies. These kinds of arrangements were the subject of reforms in the Sarbanes-Oxley legislation. The Finance Committee's retirement plan legislation also tackled many of the excesses in executive compensation. Unfortunately, that legislation was held up in the gridlock of last year. I intend to pursue the retirement plan legislation again. It's clear to me that we need to change the tax code and ensure that abusive executive compensation arrangements don't return.

Many have had questions about Mr. Snow's compensation package. Senator Baucus and I have asked several questions regarding this matter, and I believe that we have now a fairly good understanding of Mr. Snow's pay and benefits at CSX. We've shared with members and the media the answers to those questions. Reasonable people can disagree, but it appears that Mr. Snow's pay

and benefits are typical of a CEO before the Sarbanes-Oxley legislation. While people want to dwell on what Mr. Snow made, I think it important to also bear in mind what Mr. Snow is giving up to take the position of secretary of Treasury. Mr. Snow is giving up approximately \$15 million in salary, benefits, bonuses by taking this position.

Mr. Snow will bring to the Treasury Department a distinguished background of business experience and prior public service. Most importantly, Mr. Snow is a proven leader with a steady focus on long-range projects and short-term challenges. This focus on short-term problem solving and long-term planning is what the nation needs for a Treasury secretary. As one of our nation's principle economic policy makers, the Treasury secretary must face our nation's sluggish economic performance straight on.

In sum, Mr. Snow has a reputation of "getting things done." That's good news, because that's what the message was from the election and what I and Senator Baucus want to do on the Finance Committee – get things done for the American people. We welcome Mr. Snow in helping us achieve that goal.

Before I conclude, I'd like to discuss international trade. Tax policy is not the only issue that matters to this committee or to the Treasury Department. Expanding international trade is critical to America's economic growth and security. Treasury, as a steward of the U.S. economy, has always played an important role in the formulation and implementation of U.S. trade policy. As I stated many times last year, I don't want to see this role diminished, even as parts of the Customs Service are moved to Department of Homeland Security. I hope the nominee shares this view. I look forward to hearing from Mr. Snow.